



**Health Services**  
LOS ANGELES COUNTY

Los Angeles County  
Board of Supervisors

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August 15, 2006

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**APPROVE AMENDMENT TO AGREEMENT WITH FORTINO  
CASTANEDA, M.D., INC. FOR CONTINUED RADIOLOGY AND  
TELERRADIOLOGY SERVICES  
(2nd District) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Director of Health Services, or his designee, to execute and sign Amendment No. 1 (Exhibit I) to Agreement No. H-701705 with Fortino Castaneda, M.D. Inc., for the continued provision of radiology and teleradiology services to Martin Luther King, Jr./Drew Medical Center, by extending the term of this Agreement, effective September 1, 2006 through February 28, 2007, for a total maximum obligation of \$700,000.
2. Delegate authority to the Director of Health Services, or his designee, to extend the term of Agreement, month-to-month, for a maximum of six months, effective March 1, 2007 through August 31, 2007, for a total maximum obligation of \$700,000.

**PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION:**

Approval of the Amendment to the Agreement with Fortino Castaneda, M.D., Inc. (Fortino) will provide Martin Luther King, Jr./Drew Medical Center (King/Drew) with additional radiologists to ensure the continued provision of radiology services for the patients served at King/Drew.

The radiology and teleradiology services will include as-needed on-site coverage which is necessary to address critical staffing shortages, peak workloads and emergencies at King/Drew.

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FISCAL IMPACT/FINANCING:

The total maximum obligation for the Amendment to the Agreement to extend the contract term effective September 1, 2006 through February 28, 2007 is \$700,000. The total maximum obligation for the month-to-month extension of the contract term effective March 1, 2007 through August 31, 2007 is \$700,000. Funding is available in the Fiscal Year 2006-07 Adopted Budget and will be requested in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The recruitment and retention of qualified physician radiologists continues to be difficult for the Department of Health Services (DHS or Department). Maintaining adequate staffing of radiologists at King/Drew became particularly problematic beginning June 2004 when the Accreditation Council on Graduate Medical Education removed the accreditation of King/Drew's radiology resident training program. Consequently, not only did King/Drew lose the supplemental coverage provided by medical residents, but several attending radiologists also left the facility.

King/Drew has attempted to fill its radiology services gaps with agency services, however, additional staff are needed to adequately cover the radiology service needs for the facility.

On May 17, 2005, in order to address the need for critical night shift radiology services, the Department obtained Board approval for a sole source agreement with Rad-Image Medical Group, Inc. for the provision of teleradiology services. This action allowed King/Drew to effectively alleviate a backlog within the Radiology department. A continuation of these additional services is necessary to maintain the workflow.

On October 18, 2005, the Board approved a sole source Agreement with Fortino to provide *additional radiologists to augment the number of staff available to provide radiology and teleradiology services to King/Drew*. These additional contract services were necessary to address the peak workloads and emergencies at the facility.

The provision of teleradiology services by Fortino radiologists was contingent upon the implementation of a teleradiology system by October 1, 2005, and the teleradiology system was implemented in November 2005. The current distribution of radiology reads are 80% by teleradiology and 20% at the facility site.

Fortino's radiologists will provide King/Drew with the additional staff necessary for radiology coverage from Sunday through Thursday, 6:00 p.m. through 7:00 a.m. daily and on-site physician radiology coverage from Friday 6:00 p.m. through Sunday 6:00 p.m., if requested by the County.

Payment to Fortino for teleradiology and radiology services is set on a fee per-study basis, for each study for which there is a dictated and signed report. Payment rates are unchanged.

The recommended Amendment to the Agreement with Fortino will be effective September 1, 2006 through February 28, 2007 with delegated authority to extend the contract term month-to-month for a maximum of six months through August 31, 2007. The County may terminate the Agreement upon a 30-day advance written notice to Fortino, and Fortino may terminate the Agreement upon a 60-day advance written notice to the County.

The Amendment includes the revised language for Contractor Responsibility and Debarment and the Agreement includes all of the standard provisions mandated by the Board. In addition, the Agreement includes mutual indemnity provisions and coverage of malpractice liability for off-site teleradiology services.

Attachments A and B provide additional information.

County Counsel has reviewed and approved Exhibit I, as to use and form.

CONTRACTING PROCESS:

The recommended initial sole source agreement with Fortino was necessary to ensure the continuation of radiology services at King/Drew and address critical staffing shortages, peak workloads and emergencies at the facility.

An open competitive selection process was not completed and released due to the need to complete an analysis of the appropriate type of solicitation which will meet the needs of the Department.

The Department intends to develop and complete a solicitation to establish a list of available radiologists for utilization as required to ensure that as needed staffing is available to adequately cover the service needs at King/Drew and other DHS facilities.

The Department has determined that these services are subject to Proposition A guidelines, however, the extension is temporary. The Department's solicitation will comply with the Proposition A contracting guidelines and requirements.

All solicitations will be advertised on the Los Angeles County Online website.

IMPACT ON CURRENT SERVICES (OR PROJECT):

Board approval of the recommended amendment will ensure the continued provision of physician radiology services to the patients at King/Drew.

The Honorable Board of Supervisors  
August 15, 2006  
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When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.  
Director and Chief Medical Officer

BAC:ks  
BLFortinoAmend1.ks.wpd

Attachments (2)

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors

SUMMARY OF AMENDMENTS

1. TYPE OF SERVICE/PROJECT:

As needed physician radiology and teleradiology services.

2. AGENCY ADDRESS AND CONTACT PERSON:

Fortino Castaneda, M.D. Inc.  
3686 Yorkshire Road  
Pasadena, California 91107  
Attention: Fortino Castaneda, M.D. , Chief Executive Officer  
Telephone: (626) 437-9516

3. TERM:

September 1, 2006 through August 31, 2007.

4. FINANCIAL INFORMATION:

The total maximum obligation for the Amendment to the Agreement to extend the contract term effective September 1, 2006 through February 28, 2007 is \$700,000. The total maximum obligation for the month-to-month extension of the contract term effective March 1, 2007 through August 31, 2007 is \$700,000. Funding is available in the Fiscal Year 2006-07 Adopted Budget and will be requested in future fiscal years.

5. GEOGRAPHIC AREA TO BE SERVED:

Second District.

6. ACCOUNTABLE FOR MONITORING AND EVALUATION:

Administrator and Medical Director at Martin Luther King, Jr./Drew Medical Facility.

7. APPROVALS:

Martin Luther King, Jr./Drew Medical Center: Antionette Epps, CEO

Contracts and Grants: Cara O'Neill, Division Chief

County Counsel (review): Anita Lee, Principal Deputy County Counsel

**RADIOLOGY AND TELERADIOLOGY SERVICES AGREEMENT**

**MAXIMUM RATES BY AGREEMENT**

A. **Professional Services:** In payment for Professional Services and each and every other responsibility imposed on Contractor by the Agreement, including but not limited to the obligation to make physicians available as specified in Paragraph 2.C of Exhibit A-1 of the Agreement, except Administrative Services, Contractor will receive a fee based on the following schedule. The fee will be paid for each Study for which there is a dictated and signed report.

- (1) Magnetic Resonance: \$55 per Study
- (2) Computed Tomography: \$45 per Study
- (3) Ultrasound: \$35 per Study
- (4) General Diagnostic Studies: \$15 per Study
- (5) Gastrointestinal Studies: \$100
- (6) Nuclear Medicine Studies: \$45
- (7) Angiography performed while providing services onsite during prescheduled hours: \$700
- (8) Angiography performed after Contractor came in during non-scheduled hours: \$900
- (9) Other interventional procedures, including but not limited to, PICC Line insertions to be completed only when Contractor is scheduled to provide service on-site: \$150.

B. "Study" is defined as a procedure that is described using a distinct procedural code under the Current Procedure Terminology (CPT) of the American Medical Association, and which would warrant a separate payment under the rules applied by the Medicare Program. For example, if two (2) CPT codes are utilized, consistent with the rules applied by the Medicare Program to describe the professional services furnished under this Agreement, there would be a fee for two (2) Studies under this Agreement.

C. Payment for each Study described in categories 7 and 8 above includes payment for the complete provision of services, i.e., preliminary procedures and/or preparation for the examination, the provision of the actual examination, the overall interpreting process, and all required follow-up to insure the report is accurate and released to the referring physician in the time frames provided for in this Agreement.